

BASIC BANKING SERVICES

ACTIVITY 7



The ABCs of a Savings Account

RECOMMENDED TIME

Allow 50-60 minutes. Required time may vary depending on the audience.

OBJECTIVES

Participants will:

- Explain the value and purpose of a savings account.
- Identify things to know when shopping for a savings account.
- Understand the application process for opening a savings account.
- Understand how to reconcile a savings account.
- Identify ways to maintain a savings account.

MATERIALS NEEDED

- Overhead projector and screen*
- Overhead transparencies or handouts for the activity
- Flipchart, blank transparencies, or white board
- Overhead marking pens

ADVANCE PREPARATION NOTES

Review the activity plan. Think about the audience and the best presentation method.

Remind participants at the beginning of the session that the activity involves looking at typical forms or applications for opening a savings account. They should be aware that forms and regulations might vary slightly from bank to bank.

(To reinforce this statement, you might visit several local financial institutions, explain the reason, and request samples of paperwork involved in opening a savings account to use as illustrations in the activity.)

This activity uses handouts. Have sufficient copies for all participants; a few extras provide good insurance.

For clarity, use print as opposed to script when writing on a flipchart, board, or transparency.

The suggested dialogue in the delivery notes does not always mirror the wording on a transparency. Try to vary the dialogue, rather than reading transparencies verbatim.

* If an overhead projector isn't available, consider making photocopies of the provided materials for use as handouts.

BASIC BANKING SERVICES

ACTIVITY 7 - DELIVERY NOTES



The ABCs of a Savings Account

Presentation Opening

- Welcome the participants.
- Introduce yourself briefly.
- If this is the first meeting with the class or group, do a brief round of introductions by everyone.
- When introducing yourself, print your name where the participants can see and refer to it during the session. Some people may be a little nervous and may not remember your name. Just as you want to use their names, encourage them to call you by your name.

Activity Overview

Review the topics for discussion in this activity:

- Purpose of a Savings Account
- Shopping for a Savings Account
- Savings Account Application
- Monthly Bank Statement Checkup

Using the flipchart or a blank transparency, ask the participants to share why they save. Write down their reasons. Responses will vary.

Use **“Overhead 1: Reasons to Save”** to summarize the specific reasons that individuals have just provided.

- Refer to the class list. Ask participants to work with you to classify each of their reasons under one of the overhead’s headings.
- Be sure everyone understands that saving means *not spending* – putting aside some amount of current income for future use.

Move forward by asking participants to help you brainstorm different places where people keep their savings.

- Record the responses. These may include places such as a box, sock, bottom of a drawer, etc.
- Remind everyone that when saving, people hope that small amounts will grow to a much larger amount.
- Refer to the previously brainstormed list of places where people save and ask the participants to choose which of the areas represent places where their money will actually grow to a larger amount.
- This should be a simple process of showing individuals that saving in a sock or some other hiding place at home does not allow their money to grow.

Remind everyone that one of the simplest ways to save is to have a savings account at a local bank or other financial institution.

Visual Aids

Overhead 1

Reasons to Save

BASIC BANKING SERVICES

ACTIVITY 7 - DELIVERY NOTES



Ask if anyone can tell why a person should save his or her money in a savings account. These responses should open the discussion for the next segment on shopping for a savings account.

Ask for a show of hands of participants who have a savings account. If individuals do not raise their hands, don't pursue.

Use the flipchart, board, or blank transparency to ask participants what they are looking for when they go "shopping" for a savings account. Record the responses.

Use **"Overhead 2: Shopping for a Savings Account"** to summarize their earlier individual brainstorming responses. Provide a brief description of each item on the overhead. (See glossary for definitions.)

Use **"Handout 1: Savings Account Application"** to review with participants the type of application they will probably see when opening a savings account.

- In reviewing the application, stress the need for accuracy and clarity in all information.
- Emphasize that applicants must provide a physical address when their mailing address is a post office box or similar postal receipt area.
- A major emphasis to cover is proper identification. Although acceptable identification may vary slightly among financial institutions, it always includes at least two types of current government-issued identification.
- Such regular identification might include driver's licenses, military IDs, passports, green cards, etc. In some states, a Mexican consulate card is an acceptable form of identification to open a bank account.
- Be prepared. Check with the bank to learn what you will need to open an account and when the bank is open.
- Remind participants that just as they would balance their checking accounts, it is similarly important to balance their savings accounts.

Ask for reasons why balancing a savings account monthly would be important.

- Record the responses.
- In essence, participants should realize that maintaining oversight of any financial document is critical and that errors should be corrected immediately with their financial institutions.

Visual Aids

Overhead 2

Shopping for a Savings Account

Handout 1

Savings Account Application

BASIC BANKING SERVICES

ACTIVITY 7 - DELIVERY NOTES



Use **“Handout 2: Bank Statement”** to review with participants where they should look on their bank statements to check the status of their savings accounts.

Note that some banks use “combined statements” if the account holder has more than one account at the same bank.

Closing

Return to **“Overhead 1: Reasons to Save”** for closure. Ask participants what the consequences might be if people did not save for emergencies or other unexpected situations.

- Encourage all participants to consider opening a savings account if they do not have one.
- Encourage them to go to their local bank, talk with a customer service representative, and get more information about savings accounts.
- Remind them that the bank staff is always willing to answer questions from local residents and prospective customers.

Thank everyone for their participation and encourage them to return for additional sessions. If such sessions are planned, you might provide a “sneak preview” of any activity to come.

Visual Aids

Handout 2

Bank Statement

Overhead 1

Reasons to Save

BASIC BANKING SERVICES

ACTIVITY 7 - OVERHEAD 1



REASONS TO SAVE

- **Emergencies**
- **Future Purchases**
- **Future Investments**

BASIC BANKING SERVICES
ACTIVITY 7 - OVERHEAD 2



SHOPPING FOR A SAVINGS ACCOUNT

Factors to consider:

- **Safety**
- **Risk**
- **Liquidity**
- **Minimum Account Balance Requirements**
- **Fees and Service Charges**
- **Interest Rate**
- **Returns (Earnings)**
- **Automatic Transfer**
- **Direct Deposit**

BASIC BANKING SERVICES ACTIVITY 7 - OVERHEAD 3



SAVINGS ACCOUNT APPLICATION



YOUR BANK
123 MAIN STREET
ANYTOWN, USA

ACCOUNT TYPE

- INDIVIDUAL
- JOINT
- BUSINESS
- PARTNERSHIP

SAVINGS ACCOUNT APPLICATION

■ PRIMARY OWNER

NAME _____
ADDRESS _____

TELEPHONE HOME _____ WORK _____ EXT. _____
DATE OF BIRTH ____ / ____ / ____ SOCIAL SECURITY NO. ____ - ____ - ____
LENGTH OF TIME AT CURRENT ADDRESS _____
CURRENT EMPLOYER _____
EMPLOYER ADDRESS _____
LENGTH OF TIME WITH THIS EMPLOYER _____
DRIVER'S LICENSE OR PHOTO ID NUMBER _____
LAST ADDRESS PRIOR TO CURRENT ADDRESS _____
DO YOU CURRENTLY HAVE A CHECKING ACCOUNT WITH **Your Bank**? YES NO
IF SO, PLEASE LIST: ACCOUNT # _____ DATE OPENED _____

■ JOINT OWNER (IF APPLICABLE)

NAME _____
ADDRESS _____

TELEPHONE HOME _____ WORK _____ EXT. _____
DATE OF BIRTH ____ / ____ / ____ SOCIAL SECURITY NO. ____ - ____ - ____
LENGTH OF TIME AT CURRENT ADDRESS _____
CURRENT EMPLOYER _____
EMPLOYER ADDRESS _____
LENGTH OF TIME WITH THIS EMPLOYER _____
DRIVER'S LICENSE OR PHOTO ID NUMBER _____
LAST ADDRESS PRIOR TO CURRENT ADDRESS _____
DO YOU CURRENTLY HAVE A CHECKING ACCOUNT WITH **Your Bank**? YES NO
IF SO, PLEASE LIST: ACCOUNT # _____ DATE OPENED _____

I VERIFY THAT THE ABOVE INFORMATION IS TRUE UNDER PENALTY OF PERJURY.

SIGNATURE (PRIMARY) DATE

SIGNATURE (JOINT OWNER) DATE

BASIC BANKING SERVICES

ACTIVITY 7 - OVERHEAD 4



BANK STATEMENT

YB YOUR BANK
123 MAIN STREET
ANYTOWN, USA

Savings Account Statement

JAMES SMITH
JANE SMITH
321 OAK ST
ANYTOWN, USA
ACCOUNT NUMBER: 885555566

SAVINGS ACCOUNT SUMMARY	Statement Period: 1/8/06-2/6/06	
	Beginning Balance	\$654.69
	Credits	\$.40
	Debits	- \$.00
	Available Balance	\$655.09

ACCOUNT ACTIVITY	DATE	AMOUNT
Interest Earned	2/6	\$.40

ACCOUNT INTEREST SUMMARY	Average Balance	Average Interest Rate	Annual Percentage Yield Earned
	\$654.69	0.75%	0.75%